

ONE HUNDRED THIRTEENTH CONGRESS  
**Congress of the United States**  
**House of Representatives**  
COMMITTEE ON ENERGY AND COMMERCE  
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0706

July 12, 2013

The Honorable Mignon Clyburn  
Acting Chairwoman  
Federal Communications Commission  
445 12th Street SW  
Washington, DC 20554

Dear Acting Chairwoman Clyburn:

Even in boom times—let alone periods of fiscal constraint—American families must live within their means. They must prioritize their needs and wants and allocate their resources accordingly. I see no reason why the government should operate its affairs any differently.

I therefore ask that you tread carefully before you consider expanding initiatives within the Universal Service program. The FCC should continue its efforts to curb waste and abuse and cap the overall fund at current levels. It should then issue a referral to the Federal-State Joint Board on whether to adopt expansion proposals and, if so, how to implement them within the cap.

In recent weeks, members of Congress, the Administration, and the FCC itself have floated various suggestions that could increase the scope and cost of the Universal Service Fund. Those costs are ultimately born by American families in the phone rates they pay. Between first quarter 2009 and third quarter 2013, the Universal Service fee that subscribers pay has already jumped from 9.5 percent of the federal portion of the bill to 15.1 percent. Capping the fund will provide families some certainty and minimize fluctuation in their monthly bills.

I have been somewhat relieved that advocates of the proposals suggest they will pay for them with “savings” from elsewhere in the fund. But savings are in the eye of the beholder and depend upon the baseline against which they are measured. Are we talking about reducing spending from current levels or just rechanneling today’s runaway growth in another direction?

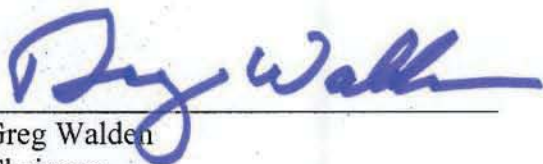
The best way to ensure saving are in fact savings and that the burden on citizens’ pocketbooks does not grow is to consider whether to fund new initiatives only after setting a firm cap. This may be challenging but responsible government spending always is. That is why I also

Letter to the Honorable Mignon Clyburn

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urge you to refer evaluation of the expansion proposals to the Joint Board after you set the cap. As a former state regulator yourself and a past federal chair of the Joint Board, you of course understand the reasons for creation of the Board and the value it brings.

With Kind Regards,

A handwritten signature in blue ink, appearing to read "Greg Walden", is written over a horizontal line.

Greg Walden

Chairman

Subcommittee on Communications and Technology

Attachment

cc: The Honorable Henry A. Waxman, Ranking Member

The Honorable Anna Eshoo, Ranking Member  
Subcommittee on Communications and Technology

The Honorable Jessica Rosenworcel, Commissioner  
Federal Communications Commission

The Honorable Ajit Pai, Commissioner  
Federal Communications Commission





## FEDERAL COMMUNICATIONS COMMISSION

November 21, 2013

Mignon L. Clyburn  
Commissioner

The Honorable Greg Walden  
Chairman  
Subcommittee on Communications and Technology  
Committee on Energy and Commerce  
U.S. House of Representatives  
2125 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Walden:

Thank you for your letter regarding the Commission's efforts to reform the Universal Service Fund (USF) support mechanisms. I agree with the need for fiscal responsibility in reforming the USF. Moreover, as you suggest, the Commission continues to diligently pursue its efforts to curb waste and abuse in all of the universal service programs. Your letter will be included in the record of the proceedings and considered as part of the Commission's review.

I am proud to be participating in the extensive, and long overdue, reform of the USF. As we have heard throughout this process, technology has surpassed the USF support system originally implemented by the Commission, and reforms need to encompass modernization to address the telecommunications environment of our 21<sup>st</sup> century economy. That has been a core objective for reforming each of the four distribution programs, including the schools and libraries support mechanism, known as "E-rate." On July 19, 2013, the Commission adopted a *Notice of Proposed Rulemaking* to begin the crucial reform of the E-rate program. The *Notice* seeks comment on a variety of options for modernizing the program, including phasing out support for outdated services and reforming E-rate within the current budget.

I look forward to working with all interested stakeholders, including schools and libraries, industry, and especially our partners at the state and local government levels, to determine how to modernize the E-rate program. Their cooperative effort in this proceeding is critical to achieving a modernized E-rate program that fulfills its promise to our nation's schoolchildren. And, in fact, in the *Notice*, the Commission specifically sought comment on the appropriate role for the Federal-State Joint Board in providing the Commission with advice and guidance on any proposed approach to providing additional funding for the E-rate program.

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I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Clyburn', with a long horizontal flourish extending to the right.

Mignon L. Clyburn